THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re ADAM R. GROSSMAN, Debtor.	Case No. 10-19817 RESPONSE TO SUPPLEMENTAL STATEMENT REGARDING TRUSTEE'S MOTION TO APPROVE SETTLEMENT OF ISSUES RELATING TO REAL PROPERTY LOCATED AT 868 MONTCREST DRIVE, REDDING CALIFORNIA 96003

COMES NOW the Debtor, Adam R. Grossman, by and through his attorney of record Jeffrey B. Wells, and in reply to the trustee's supplemental submission in support of settlement, states as follows.

The Effect of Settlement on Creditors

The trustee submits an analysis which he uses to suggest that a denial of the proposed settlement would have a negative impact on the estate and would unduly burden Ms. Borodin at the expense of the unsecured creditors. This analysis lacks basis in legal authority, self-consistency, and proper accounting.

In summary, the settlement should be rejected based upon the factors discussed in A&C

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Properties 784 F.2d 1377 (9th Cir. 1986).

A. Probability of Success in Litigation.

Debtor previously served as managing member for the SEC-regulated entity that currently holds lawful interest in the subject property. He is quite certain that substantial litigation will prevail.

B. **Difficulties to be encountered in the matter of collection**.

As the Trustee states, this factor is not applicable.

C. **Complexity of litigation and expense, inconvenience and delay attendant therewith**.

The Trustee originally estimated a $10,000 cost to resolve the question of the inclusion of the Montcrest property in the estate. Subsequent pleadings have mentioned $25,000. The trustee's estimate that legal fees in attempting to obtain an order that the Montcrest property can be used to pay community net would amount to $25,000 seems high. Other than preparing an adversary complaint it would seem that the question as to whether the Montcrest property is property of the estate is a legal question and would be susceptible to a summary judgment motion. While the trustee may not wish to use the material submitted by the Debtor on this question to date arguing that the Montcrest property is property of the estate, it would seem that the trustee could fashion his own summary judgment motion using that material without much difficulty. Summary judgment ought not to cost more than the original $10,000 estimate.

D. **Best Interest of Creditors**.

Debtor will file a motion for alternative administration of the estate prior to the date of

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the hearing which provides a significantly better scenario for creditors.

The settlement should be rejected.

Dated this 18th day of June, 2012.

__*/s/ Jeffrey B. Wells*_____
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